MAC
MICHIGAN ASSOCIATION OF CHIROPRACTORS

## Testimony on House Bills 4875, 4876, and 4877
## Dr. Leigh Elceser – MAC Government Relations Committee

The Michigan Association of Chiropractors supports House Bills 4875, 4876, and 4877.

Excessive co-pays discourage the use of low-cost, conservative health care, are burdensome, fraudulent, and lead to higher health care costs in our state. They need to be regulated.

### Conservative care should be the first option!

The cost of health care is a major strain on Michigan families and businesses. It is vital we look at our health system as a continuum of care. On one end is low-cost, conservative care. As a patient moves through the continuum, health care costs continue to increase. At the far end are even higher cost interventions.

Patient care should almost always (excluding life threatening emergencies) start at the most conservative treatment possible. Not starting at the most conservative treatment adds unnecessary cost and inefficiencies to our health care system. Chiropractors provide conservative care to our patients. Our care is cost-effective, and drug and surgery free.

### Excessive Co-Pays: Burdensome and Fraudulent!

Insurance companies use co-pays to share costs and prevent overutilization. Co-pays started as a small portion of the actual cost of the medical service to prevent people from seeking medical care that may not be necessary.

Unfortunately, high co-pays (often as high, or higher, than the reimbursement for the service) discourage people from seeking necessary medical care. This serious situation can render someone who is insured effectively uninsured because they are unable to pay exorbitant co-pays.

Cost sharing measures have reached the point where co-pays on some covered services are so high that the health care consumer can never realize a benefit, yet they are paying for these "phantom benefits" in their policies. When insurance companies sell policies with exorbitant co-pays on certain services, they assume virtually no risk for these services. This lack of "transparency in coverage" would be considered fraud in any other field.

There is a balance that must be achieved. Co-pays may be necessary to deter over-utilization, but should not be so burdensome that patients are assuming all the risk.

**If an insurer does not cover at least half of the cost of the service, they should not be able to claim the service as a benefit.**

**Exorbitant co-pays lead to deceptive insurance coverage, denied access, unfairness, and higher health care costs to consumers.**

**At its heart, this is a health care consumer protection issue about access to quality care and transparency in coverage.**

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CMS
CENTERS for MEDICARE & MEDICAID SERVICES

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

August 17, 2011

Rick McMichael, DC
President, American Chiropractic Association
1701 Clarendon Blvd.
Arlington, VA 22209

Dear Dr. McMichael:

Thank you for your letter articulating your concerns about high cost-sharing for Medicare-covered chiropractic services under Medicare Advantage (MA) plans.

Each year, the Centers for Medicare & Medicaid Services (CMS) reevaluates cost sharing standards to ensure that MA plan cost-sharing is not discriminatory. Along with a number of other changes, we have made adjustments to the amount of cost sharing allowed for chiropractic services. For contract year 2012, we are limiting the cost-sharing MA plans can charge enrollees for chiropractic services to no more than $20 for plans with copayment designs, and to 50% for those with coinsurance designs. In contract year 2011we limited cost sharing to $40. The 2012 cost sharing limits were announced in our contract year 2012 Call Letter, which is available at: http://www.cms.gov/PrescriptionDrugCovContra/Downloads/Announcement2012final.pdf

You also asked for information that the American Chiropractic Association (ACA) can use to determine whether actuarially estimated MA plan cost-sharing exceeds the cost-sharing for services under Original Medicare, or, alternatively, a CMS contact to whom the ACA could direct beneficiaries and providers who encounter MA plans with high cost-sharing for chiropractic services. You can review cost sharing amounts being charged by all MA plans through our Medicare Plan Finder tool on the http://www.medicare.gov/default.aspx website. Cost-sharing amounts for chiropractic services are listed for each plan in the medical benefit description under outpatient services. Additionally, beneficiaries or providers can contact 1-800-MEDICARE and register complaints or problems they experience with MA plans. Additional information on how individuals can file complaints can be found at the following link to the Medicare Beneficiary Ombudsman:
http://www.medicare.gov/navigation/help-and-support/ombudsman.aspx

I hope you find this information helpful. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

Danielle R. Moon

Danielle R. Moon, J.D., M.P.A
Director

STATE OF MISSOURI

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION**

P.O. Box 690, Jefferson City, Mo. 65102-0690

# INSURANCE BULLETIN 10-04

**376.391, limits on chiropractic copayments**
**Issued** Sept. 23, 2010

**To:** Health insurance companies, health services corporations, health maintenance organizations, and chiropractors

**From:** John M. Huff, Director

**Re:** 376.391, limits on chiropractic copayments

The Missouri Department of Insurance, Financial Institutions and Professional Registration (DIFP) issues this bulletin to remind health carriers of their responsibility to comply with Section 376.391. That section states:

> A health benefit plan or health carrier, as defined in section 376.1350, including but not limited to preferred provider organizations, independent physicians associations, third-party administrators, or any entity that contracts with licensed health care providers shall not impose any co-payment that exceeds fifty percent of the total cost of providing any single chiropractic service to its enrollees.

It has come to the attention of the DIFP that some chiropractors who have contacted health carriers regarding the application of this statute have been impermissibly instructed by the carriers to collect a copayment amount that exceeds the statutorily prescribed limitation. Any chiropractor who receives direction from a health carrier to collect a copayment amount in excess of the limitations contained in Section 376.391 may call the DIFP Insurance Consumer Hotline at 800-726-7390 or file a complaint with the DIFP. These complaints may then be used to determine if there is sufficient cause to warrant a specific market conduct examination.

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# Current Research on Cost-Effectiveness of Conservative Care

*Health care costs for the treatment of musculoskeletal conditions are substantial. There were more than 132 million physician visits for musculoskeletal symptoms in 2006. According to a 2008 report from the American Academy of Orthopaedic Surgeons, musculoskeletal disorders cost the United States approximately $850 billion per year. Another study found that the total cost of treating back pain alone in the U.S. has risen 65 percent in the past decade and now rivals the economic burden of treating cancer. Pharmaceuticals and surgery often drive these costs, meaning that the noninvasive and drug-free approach of chiropractic can greatly reduce expenditures while also representing a vast improvement in public health.*

*The efficacy and cost-effectiveness of chiropractic care in relationship to the medical model has become a critical issue. The growth of managed care networks and other systems restricting access to chiropractic has heightened the need for additional evidence that can be used by policymakers to better allocate health care dollars. The studies below add to the growing body of scientific evidence suggesting that chiropractic is a safe, effective, and efficient treatment for low back and neck pain, especially when compared to traditional medical care.*

## What's New? The Latest Research

*"As more data continues to surface touting the benefits of chiropractic care – lower costs, less risks and higher satisfaction rates – I expect that patients and practitioners will move toward considering chiropractic first, medicine second and surgery last,"*

*- Gerald Clum, DC*
*Spokesman, Foundation for Chiropractic Progress*

## The Early Predictors of Lumbar Spine Surgery Study (2013)

This study provided documentation of chiropractic care as a first option for back pain relief and surgical avoidance. Using Disability Risk Identification Study Cohort (D-RISC) data, the study authors examined the early predictors of lumbar spine surgery within three years among Washington state workers with new worker's compensation temporary total disability claims for back injuries, and found:

- Reduced odds of surgery for those under age 35, women, Hispanics and those whose first provider was a chiropractor.
- In fact, 42.7 percent of workers who first saw a surgeon had surgery, in contrast to only 1.5 percent of those who saw a chiropractor.
- This held true even when controlling for injury severity and other measures.

Conclusion: There was a very strong association between surgery and first provider seen for the injury, even after adjustment for other important variables.

*Keeney, et al, "Early Predictors of Lumbar Spine Surgery after Occupational Back Injury: Results from a Prospective Study of Workers in Washington State," Spine. 38(11): 953-964. May 15, 2013*

## The *Spine* Study (2013)

This randomized controlled trial assessed changes in pain levels and physical functioning in response to standard medical care (SMC) versus SMC plus chiropractic manipulative therapy for the treatment of low back pain among 18 to 35-year-old active-duty military personnel. The findings included:

- Adjusted mean scores on the Roland-Morris Disability Questionnaire were significantly better in the SMC plus CMT group than in the SMC group at both week two and week four.
- Pain scores were also significantly better in the group that received CMT.
- Adjusted mean back pain functional scale scores were significantly improved in the SMC plus CMT group than in the SMC group, as well.

Conclusion: "The results of this trial suggest that CMT in conjunction with SMC offers a significant advantage for decreasing pain and improving physical functioning when compared with only standard care, for men and women between 18 and 35 years of age with acute LBP."

*Goertz et al, Adding Chiropractic Manipulative Therapy to Standard Medical Care for Patients with Acute Low Back Pain: Results of a Pragmatic Randomized Comparative Effectiveness Study, Spine. 38(8): 627-34. April 15, 2013*

## The Disability Recurrence Study (2011)

This study shows that the use of health maintenance care provided by physical therapist or physician services was associated with a higher disability recurrence than in chiropractic services or even no treatment at all. The study compared occurrence of repeated disability episodes across types of health care providers who treat claimants with new episodes of work-related low back pain. Researchers followed 894 patients over one year, using workers' compensation claims data. Findings include:

- "Provider type during the health maintenance care period was significantly associated with recurrent disability… with the only or mostly physical therapy group having the highest proportion of recurrent disability (16.9%) and the only or mostly chiropractor and the no health maintenance care groups having the lowest proportion of recurrent disability (6.5% and 5.5%, respectively)."
- Statistically, this means you are twice as likely to end up disabled if you got your care from a PT, rather than from a DC. You're also 60% more likely to be disabled if you choose an MD to manage your care, rather than a chiropractor.
- "There is a growing evidence that health-care-as-usual does not necessarily improve health outcomes in nonspecific LBP."

- "No health maintenance care is generally as good as chiropractic care... chiropractors might be preventing some of their patients from receiving procedures of unproven cost utility value or dubious efficacy."
- The only or mostly chiropractor group during the disability episode and health maintenance care periods and "chiropractor loyalists" during both periods combined had fewer surgeries, used fewer opioids, and had lower costs for medical care than the other provider groups.

Conclusion: In work-related nonspecific LBP, the use of health maintenance care provided by physical therapist or physician services was associated with a higher disability recurrence than with chiropractic services or no treatment."

*Cifuentes et al, "Health Maintenance Care in Work-Related Low Back Pain and Its Association With Disability Recurrence," Journal of Occupational and Environmental Medicine, Vol. 197 [epub], March 14, 2011*

## The Spine Care Pathway Study (2011)

This study of low back pain patients treated exclusively by chiropractors at a Massachusetts hospital achieved successful clinical outcomes in few visits, at low cost, and with high satisfaction rates. The study authors found that:

- These patients achieved successful clinical outcomes in an average of 5.2 visits at the low cost of $302 per case
- Satisfaction rates remained above 95 percent
- In addition, self-reported pain and disability scores were reduced by about 70 percent over the course of just a few weeks.

Conclusion: This research confirms that the inclusion of evidence-based healthcare approaches, like chiropractic care, is the undergirding support within emerging value-based health plans and may represent a significant advancement in cost and clinical effectiveness.

*Paskowski, et al, "A Hospital-Based Standardized Spine Care Pathway: Report of a Multidisciplinary, Evidence-Based Process," Journal of Manipulative and Physiological Therapeutics, 34(2): 98-106, February 2011*

## Older Relevant Studies

**The Blue Cross Blue Shield of Tennessee Study (2010)**: Low back pain care initiated with a DC saves 40 percent on health care costs when compared with care initiated through an MD. Allowing DC-initiated episodes of care would have led to an estimated annual cost savings of $2.3 million. Conclusion: "[I]nsurance companies that restrict access to chiropractic care for LBP may, inadvertently, be paying more for care than they would if they removed these restrictions."

**The C.H.I.R.O. Study (2010)**: Guidelines-based care (including chiropractic spinal manipulation) is significantly more effective than usual care. After 16 weeks, patients referred to MDs saw almost no improvements in their disability scores, were likely to still be taking pain

drugs, and saw no benefit with added physical therapy. Conclusion: "Compared to family physician-directed [usual care], full [clinical practice guidelines]-based treatment including [chiropractic spinal manipulative therapy] is associated with significantly greater improvement in condition-specific functioning.

**Center for Health Value Innovation Report (2010)**: The Center for Health Value Innovation's 2010 addresses the role of chiropractic services as part of the continuum of care in value-based benefit design. Conclusion: "The addition of chiropractic coverage for the treatment of low back and neck pain at prices typically payable in US employer-sponsored health plans will likely increase value-for-dollar."

**The Mercer Report (2009)**: The Foundation for Chiropractic Progress (F4CP) calls the study "one of the most significant reports regarding the cost effectiveness and clinical efficacy of chiropractic care." Conclusion: Chiropractic care for the treatment of "low back and neck pain is highly cost effective, represents a good value in comparison to medical physician care and to widely accepted cost effectiveness thresholds." "The addition of chiropractic coverage for the treatment of low back and neck pain...will likely increase value-for-dollar by improving clinical outcomes..."

**ACN/UnitedHealth Group Report (2007)**: Chiropractic services for back and neck pain are significantly more cost-effective than all competing approaches. The single most important factor in holding down costs is the profession of the doctor with whom care was initiated. When care was initiated with a PCP, spinal care was characterized by radiology, pharmacy, hospitalization and surgery, rather than the more conservative care provided by DCs. Conclusion: "[B]y aligning decision-making with current clinical evidence Minnesota chiropractors produce large improvement in disability at a low episode cost."

**The AMI Study (2004, 2007 follow-up):** When comparing a chiropractic network in which DCs performed all patient examinations, treatments, and procedures at their own discretion, to a more traditional medical model, a comparative analysis of clinical and cost outcomes found decreases of 43 percent in hospital admissions, 58.4 percent in hospital days, 43.2 percent in outpatient surgeries and procedures, and 51.8 percent in pharmaceutical costs. A three-year follow-up study demonstrated even greater reductions in both clinical and cost utilization. Conclusion: "The AMI experience seems to indicate that a nonpharmaceutical/ nonsurgical orientation can reduce overall health care costs significantly and yet deliver high quality care."

**The Stano Study (2005):** Dr. Miron Stano, a professor of economics at Oakland University in Rochester, has done a number of seminal, groundbreaking studies regarding the cost-efficiency of chiropractic care. His latest study found that chiropractic and medical care have comparable costs (not counting hospitalizations and surgical costs) for treating chronic low-back pain, with chiropractic care producing significantly better outcomes. Conclusion: "Chiropractic patients with chronic LBP showed an advantage over medical patients in pain, disability, and satisfaction outcomes without additional costs."

**The Procedures Study (2005):** The study analyzed use rates of advanced imaging, surgery, inpatient care, and plain-film radiographs between employer groups with and without a chiropractic benefit., with chiropractic care leading to lower costs by reducing the rates of all four in patients with low-back and neck pain. Conclusion: "Among employer groups with

chiropractic coverage compared with those without such coverage, there is a significant reduction in the use of high-cost and invasive procedures for the treatment of back pain."

**The California Study (2004):** This study concluded that if all members of the examined plan had chiropractic coverage, total health care costs would drop by 12 percent and the plan would save $47.5 million per year, the result of less utilization of hospital beds, drugs, surgery, x-rays and, most importantly, speedier patient recovery times. Conclusion: Access to managed chiropractic care may reduce overall health rate expenditures.

**The Spinal Manipulation Efficacy Study (2005)** Initial and extended follow-up showed that the application of spinal manipulation revealed a broad-based long-term benefit: Five of the seven main outcome measures showed significant improvements, compared with only one item in the acupuncture and medication groups. Conclusion: "In patients with chronic spinal pain syndromes, "spinal manipulation, if not contraindicated, may be the only treatment modality of the assessed regimens that provides broad and significant long-term benefit."

**The North Carolina Study (2004)**: This study found dramatic differences in the average treatment costs between chiropractic patients, medical patients, and patients treated by both. For chiropractic patients, costs, lost work days, and hospital inpatient and outpatient costs were significantly lower. Conclusion: "[I]t seems likely that substantial savings to the workers' compensation system would be possible if chiropractic services were increased in North Carolina."

**The Efficacy of Chiropractic for Chronic Low-Back Pain Study (2004):** Analysis of the data showed that in patients who received maintenance spinal manipulation, disability scores were significantly lower after a 10-month period than before the initial phase of treatment. Conclusion: The study "shows the positive effects of preventive chiropractic treatment in maintaining functional capacities and reducing the number and intensity of pain episodes after an acute phase of treatment."

**The DNA Repair Study (2005)**: This landmark study suggests that wellness care provided by doctors of chiropractic may improve health behaviors, enhance patient-perceived quality of life, and reduce health care costs. The study found that chiropractic care could influence basic physiological processes that affect oxidative stress and DNA repair. The study's results offer a scientific explanation for the positive health benefits reported by chiropractic patients. Conclusion: "The results clearly support the recommendations being made for wellness care by chiropractors.

*For more information on these studies, including expanded analyses citations, and (in some cases) the full study, contact Tim at the MAC office at (800) 949-1401 or tim@chiromi.com.*